CIRCULATE FEB 1952 CENTRAL INTELLIGENCE AGENCY CLASSIFICATION SECRET 25X1 25X1 **INFORMATION REPORT** REPORT NO. CD NO. COUNTRY China DATE DISTR. 9 January 1953 SUBJECT Textile Plants, Lanchow NO. OF PAGES 1 2. Arsenal and Steel Mill. Chuchou DATE OF NO. OF ENCLS. INFO. 25X1 **PLACE** SUPPLEMENT TO ACQUIRED 25X REPORT NO. * See below THIS DOCUMENT CONTAINS INFORMATION AFFECTING THE NATIONAL DEFENSE OF THE UNITED STATES, WITHIN THE MEANING OF TITLE 18, SECTIONS 793 AND 794, OF THE U.S. CODE, AS AMENDED. ITS TRANSMISSION OR REVE-THIS IS UNEVALUATED INFORMATION LATION OF ITS CONTENTS TO OR RECEIPT BY AN UNAUTHORIZED PERSON IS PROHIBITED BY LAW. THE REPRODUCTION OF THIS FORM IS PROHIBITED 25X1 25X1 On 1 September 1952, the Chinese Communists began construction of a wool spinning plant and a wool weaving plant at a site north of Chouchiachuang (0719/1367/5445) in the western sector of Lanchow. Authorization for the construction of these plants had been granted in July 1951 by the Industry Department of the Northwest Military and Administrative Committee. It was estimated that the construction will take from a year to a year and four months. By July 1954 a complete factory unit, including a wool washing plant, a wool combing plant, and a dyeing factory, will be in operation. Power machinery is to be supplied by the First Machine Building Ministry of the Chinese Communist Government. Hong Kong Since April 1952, five thousand civilian laborers have been building an underground work site for the Chuchou (113-06, 27-53) arsenal and steel mill. This site is between the mountains at the point where the Canton-Hankow and the Chuchou-Pinghsiang (113-50, 27-37) railroads intersect. By mid-July all the machinery had been moved from the arsenal and the steel mill into the underground shelters. The arsenal has been producing light infantry weapons, bazookas, and 60 mm. mortars. The output of the arsenal and steel mill under Chinese Communist direction is twice what it had been under Nationalist management. CLASSIFICATION SECRET 25X1 X NAVY STATE NSRB 25X1 ARMY FBI

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